



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Consider and Provide Direction with Regard to Participation in the San Joaquin County Enterprise Zone Application

MEETING DATE: October 17, 2007

PREPARED BY: City Manager

RECOMMENDED ACTION: Consider the proposal to participate with the San Joaquin County Enterprise Zone Application, and if so desired, appropriate funds, adopt resolution of participation, direct the City Manager to execute a commitment letter, and take whatever other actions needed.

BACKGROUND INFORMATION: The County of San Joaquin has requested that Lodi participate in an application for a new "Enterprise Zone" designation. The previous Stockton/San Joaquin County Enterprise Zone will expire in 2008. In order to provide a more competitive application, Lodi has been asked to participate. The deadline date for the application is October 26, 2007. The Council and city staff has had a limited time to respond to the invitation to participate.

A presentation will be made at the Council meeting. However, the biggest issue is the financial obligation of participation in the Enterprise Zone vs. the return on investment. In brief, direct participation costs in the County Enterprise Zone include, but are not limited to, \$23,024 per year for Enterprise Zone administration, \$8,972 one-time payment for application costs, approximately \$25,000 for one-third of an Economic Development Specialist, (The position is currently vacant and would need to be filled), and the unidentified costs of local incentives, such as fee reductions or waivers and one-stop permit centers.

These funds would be used as an economic development tool to attract and expand businesses. The policy consideration for the Council is not whether it supports economic development, but the prioritization of which economic development tools it wishes to develop with local resources. In other words, which economic development strategy will produce the greatest return on investment? Which economic development tool should the Council focus on? Although not mutually exclusive, here is a brief listing of economic development strategies:

- Land annexed, zoned, and available for economic development activity
- In-house economic development staff position
- Permit expeditor position targeted for business within the Community Development Department
- Local grant program, façade improvements, business expansion, and other economic development tools
- Redevelopment Project area

FISCAL IMPACT: Not Applicable

FUNDING AVAILABLE: Not Applicable

Blair King, City Manager

APPROVED: _____
Blair King, City Manager

CITY OF _____
RESOLUTION NO. _____
RESOLUTION OF _____ CITY COUNCIL AUTHORIZING
APPLICATION TO STATE OF CALIFORNIA FOR SAN JOAQUIN COUNTY
ENTERPRISE ZONE

WHEREAS, the City of _____ and other public entities are submitting a joint application for a California Enterprise Zone, to be known as the San Joaquin County Enterprise Zone, to the California Department of Housing and Community Development (the Department) on or before November 16, 2007;

WHEREAS, the City of _____ finds that the application area within the City of _____ is a depressed area and that designation of the area as an Enterprise Zone is necessary in order to attract private sector investment to the application area;

WHEREAS, the City of _____ authorizes an application for Enterprise Zone designation;

WHEREAS, the City of _____ authorizes and supports job development, job creation, and economic development;

WHEREAS, the City of _____ authorizes that staffing shall be made available to maintain record-keeping, monthly updates on zone activities, and to discuss these activities with program auditors;

WHEREAS, the City of _____ shall develop a self-evaluation process to measure its progress in meeting its goals and objectives and this process shall be submitted to the Department for review, approval and inclusion in the Memorandum of Understanding (MOU) prior to Final Designation;

WHEREAS, the City of _____ agrees to complete all actions stated within the application that apply to its jurisdiction should the proposed Enterprise Zone be awarded designation; and

WHEREAS, [_____ name, title, department [city manager?] _____] is authorized to sign the application, the MOU and other documents necessary for the implementation of the Enterprise Zone;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of _____ that the City is committed to the designation, implementation, and operation of the San Joaquin County Enterprise Zone. Before the application is submitted, the Council shall follow this resolution with another council action containing specific commitments of staff time and other contributions that the City will make to the proposed Enterprise Zone.

Passed, approved and adopted this _____ day of _____, 2007.

MODEL LETTER OF COMMITMENT FOR THE SAN JOAQUIN COUNTY ENTERPRISE ZONE

Instructions:

The following provides template for the Letter of Commitment and Transmittal Letter. Please send the cover letter and certified copy of the Letter of Commitment to Fran Aguilera at the address below:

Fran Aguilera
Economic Development Director
Employment & Economic Development Department
San Joaquin County
56 S. Lincoln
Stockton, CA 95203
Ph. 209 468-3615

Also, please fax a copy to Paul Nguyen at 510-533-6048.

The copy of the letter of commitment must be certified by the City Clerk through a minute order.

Direct any questions to:

Paul Nguyen
Jack Faucett Associates, Inc.
nguyen@jfaucett.com
Ph. 510-533-6059

or

Jason Bezis
Jack Faucett Associates, Inc.
bezis@jfaucett.com
Ph. 925-962-9643

A. Model Transmittal Letter Signed By City Manager

CUT AND PASTE TO CITY LETTERHEAD

September __, 2007 [any date on or after date of Council approval of Letter of Commitment is acceptable]

Mr. Frank Luera, Chief
State Enterprise and Economics Development Section
California Department of Housing and Community Development
1800 Third Street, Suite 390
Sacramento, CA 95814

TRANSMITTAL OF LETTER OF COMMITMENT

Dear Mr. Luera:

I am the City Manager of the City of _____, an applicant for the proposed San Joaquin County Enterprise Zone. Enclosed please find the Letter of Commitment approved by minute order by my City Council on __, 2007. The Council is separately approving the Enterprise Zone Resolution and a Memorandum of Understanding.

As the administrator for the City of _____, I affirm that the City commits its funding, in-kind resources, and staffing to the San Joaquin County Enterprise Zone for the life of the Zone.

Sincerely yours,

NAME OF CITY MANAGER

City Manager

City of _____

**B. Model Letter of Commitment to Be Approved by City Council
and Signed by Mayor**

ON CITY LETTERHEAD

____, 2007 [USE DATE OF COUNCIL MINUTE ORDER APPROVING THIS LETTER
OF COMMITMENT]

Mr. Frank Luera, Interim Manager
Enterprise Zone Program
California Department of Housing and Community Development
1800 Third Street, Suite 390
Sacramento, CA 95814

LETTER OF COMMITMENT TO SAN JOAQUIN COUNTY ENTERPRISE ZONE

Dear Mr. Luera:

The City of _____ (hereinafter "City") is a general law city incorporated under California law. The City has jurisdiction over a portion of the proposed San Joaquin Valley Enterprise Zone (hereinafter "Zone") and has heretofore resolved to be an applicant for the Zone. The City is separately entering into a Memorandum of Understanding that defines the respective roles of the participating cities, the County of San Joaquin, and other Zone program participants. This Letter of Commitment contains specific commitments that the City will make solely to the designation, implementation, and operation of the proposed Zone.

I. Commitments of Staff Time

The City commits INSERT NUMBER staff members to the Enterprise Zone project.

First, INSERT NAME OF YOUR CITY'S "ZONE MANAGER" AND TITLE (e.g., "Joan Smith, Economic Development Director" or "William Johnson, City Manager") will dedicate ____% of (HIS/HER) time to the project at an annual value of \$_____, including \$_____ in salary and \$_____ in benefits. HE/SHE shall be the Zone manager for the City of _____. HIS/HER tasks to be completed in support of the Zone will be (INSERT TASKS, e.g., "to conduct marketing for the Zone, to undertake business expansion, attraction, and retention activities for the Zone...")

[USE THE FOLLOWING FOR THE 2ND STAFF PERSON WHO WILL PARTICIPATE IN THE ZONE FROM YOUR CITY, IF APPLICABLE]

Second, INSERT NAME OF 2ND STAFF PERSON AND TITLE (e.g., "William Johnson, City Manager" or "Mary Martin, Secretary/Executive Assistant") will dedicate ____% of HIS/HER time to the project at an annual value of \$_____, including

\$ _____ in salary and \$ _____ in benefits. HIS/HER tasks to be completed in support of the Zone will be (INSERT TASKS, e.g., "to conduct marketing for the Zone, to undertake business expansion, attraction, and retention activities for the Zone..."; if secretary: "to provide clerical support for Zone affairs at the City of _____")

[USE THE FOLLOWING FOR THE 3RD STAFF PERSON WHO WILL PARTICIPATE IN THE ZONE FROM YOUR CITY, IF APPLICABLE]

Third, INSERT NAME OF 3RD STAFF PERSON AND TITLE (e.g., "Mary Martin, Secretary/Executive Assistant") will dedicate ____% of HIS/HER time to the project at an annual value of \$ _____, including \$ _____ in salary and \$ _____ in benefits. HIS/HER tasks to be completed in support of the Zone will be INSERT TASKS (e.g., if secretary: "to provide clerical support for Zone affairs at the City of _____")

[USE THE FOLLOWING FOR THE 4TH STAFF PERSON WHO WILL PARTICIPATE IN THE ZONE FROM YOUR CITY, IF APPLICABLE]

Fourth, INSERT NAME OF 4TH STAFF PERSON AND TITLE (e.g., "Mary Martin, Secretary/Executive Assistant") will dedicate ____% of HIS/HER time to the project at an annual value of \$ _____, including \$ _____ in salary and \$ _____ in benefits. HIS/HER tasks to be completed in support of the Zone will be INSERT TASKS (e.g., if secretary: "to provide clerical support for Zone affairs at the City of _____")

[CUT AND PASTE PREVIOUS PARAGRAPH TO ADD MORE STAFF IF NECESSARY]

II. Commitments of Other Services and Supplies

The City also commits the following to the Zone program:

[PROVIDE AS MANY SPECIFICS ABOUT THE CONTRIBUTION AS POSSIBLE (NUMBER, DOLLAR AMOUNT, ETC.). DELETE CATEGORIES THAT ARE NOT APPLICABLE TO YOUR CITY. ADD ANY OTHER CONTRIBUTIONS YOU CAN IDENTIFY]

San Joaquin County Enterprise Zone: The City commits \$ _____ per year to the San Joaquin County Enterprise Zone for zone administration, job development, and marketing.

San Joaquin Partnership Dues: The City commits \$ _____ per year to the San Joaquin Partnership for Zone marketing and business attraction.

Dues & Subscriptions: The City commits \$_____ per year as dues to the INSERT ORGANIZATION NAME [If your city is a member of the California Economic Development Association, etc., so state and include your annual membership dues here.]

The City commits \$_____ per year as subscriptions for the following publications related to economic development: _____

Trainings, Trade Shows, & Meetings: The City commits an annual value of \$_____ for trainings, trade shows, and meetings. [Add details. E.g., "The City shall promote the Zone annually at the International Council of Shopping Centers spring convention at a cost of \$_____ per year."] ["The City shall promote the Zone at the annual California Economic Development Association convention at a cost of \$_____ per year."]

Professional Consultant Services: The City commits \$_____ ("per year" or "in Year 1" or "in Year 3" etc.) for professional consultant services. [Add details. E.g., "The City shall hire a consultant to prepare a marketing plan for Zone services."]

Other Advertising & Marketing: The City commits an annual value of \$_____ to other advertising and marketing activities for the Zone. INSERT BRIEF EXPLANATION [website development, brochure design and production could be included here] (e.g., "Such funds shall be used to construct and maintain a city webpage devoted to the Zone" or "Such value represents an in-kind contribution from the City's Information/Technology Systems division to the Zone for construction and maintenance of a city webpage devoted to the Zone.")

Office Equipment & Maintenance: The City commits an annual value of \$_____ to office equipment and maintenance. [Add details. "Such value represents the portion of City computer systems devoted to Zone affairs."]

Office Supplies: The City commits an annual value of \$_____ to office supplies. Such value represents the cost of paper, stationery, envelopes, and other supplies consumed for Zone affairs.

Vehicle Allowance: The City commits an annual value of \$_____ to cover vehicle expenses related to Zone affairs.

Telecommunications: The City commits an annual value of \$_____ to cover telephone, facsimile, and internet expenses related to Zone affairs.

III. Total Contributions

The total annual value of the contributions of the City of _____ to the Zone shall be \$ INSERT SUM OF STAFF TIME, CASH, AND OTHER CONTRIBUTIONS IN SECTIONS I AND II. [Note: If the annual value varies year-to-year during the first five years of the Zone's designation, indicate the total annual values for Years 1, 2, 3, 4, and

5.] The City of _____ acknowledges that its commitment is an annual commitment for the life of the Zone.

The City Council of the City of _____ has approved this Letter of Commitment as a minute order. The City Manager is directed to transmit this Letter of Commitment with the Enterprise Zone application.

Sincerely,

Mayor, City of _____

APPENDIX C
Signature Page

California Enterprise Program
2007 Application

Application Deadline: November 16, 2007

Application Submitted By:

Name of Enterprise Zone

Name and Title of Authorized Official

Affiliation of Authorized Official

Signature of Authorized Official

Date

California Enterprise Zone Program

Department of Housing and Community Development

1800 Third Street, Third Floor

Sacramento, CA 95814

Telephone: (916) 322-1112

www.hcd.ca.gov/fa/cdbg/ez

San Joaquin County EZ Application WORK PLAN

TASK/APPLICATION SECTION	SOURCE	MILESTONE	CHECK?
Part "0" - General Information:			
Signature Pages from All Participating Cities (Appendix C)	County/Cities	Friday, September 14	
Contact Information (Appendix D)	JFA to complete using County Compiled Contact List	Friday, September 7	
Capital Improvement Plans Collection	Cities	Friday, September 7	
Business License Listings/Database	Cities/ SJC	Friday, September 7	
Copies of ED Reports, Plans, Marketing Materials, etc.	County/Cities	Friday, September 7	
Land Use Zoning Maps/Shape Files Collection	Cities to Send to SJC (Dave Bollinger)	DONE	X
Council Actions		Pursuant to City Council Meeting Schedules. Schedules to be identified by SJC/Cities. To be completed no later than September 30	
Resolutions (JFA Template Provided),	County/Cities		
Letters of Commitment (JFA Template Provided)	County/Cities		
Memoranda of Understanding (JFA Template Provided)	County/Cities		
Part I: Eligibility Affirmation	JFA	Done	X
Part II: Boundary Conformity			
Zone Mapping (See Part IV Below)	County	Sept. 14 (Preliminary to HCD) Monday, October 22 (Final)	
Legal Boundary Description	County	Monday, October 22 (Final)	
Street Range Listing	County	Monday, October 22 (Final)	
Noncontiguous Area Demonstration (Data Analysis & Narrative)	JFA	Monday, October 22 (Final)	
Ratio Demonstration (Data Analysis & Narrative)	JFA	Monday, October 22 (Final)	
Part III: Economic Development Plan			
Section 1: Marketing Strategy and Plan			
A - Comprehensive Marketing Strategy	JFA/County	Friday, October 5	
B - Rentention, Expansion, Retraction Plans	JFA/County	Friday, October 12	
C - Companies Closed, Relocated, or Downsized (Table 6)	Cities/County	Friday, October 12	
D - Annual Marketing Plan (Table 1, 2, 3)	JFA/County	Tuesday, October 16	
E - Economic Development Partner (Narrative + Table 5)	JFA/County	Monday, October 15	
F - Sales Plan & Successes	JFA/County/Cities	Monday, October 15	
G - Existing Business & Real Estate Marketing Orgs (Table 4)	All	Monday, October 15	
H - Advertising & Promotional Strategy	All	Friday, October 12	
I - Administration (EZ Management, Budget, Self Evaluation)	JFA	Monday, October 22	
Section 2: Available Property and Businesses	County/Cities/JFA	Monday, August 27, 2007	
Section 3: Financing Programs	County	Friday, September 14, 2007	
A - Business & Real Estate Plan (Table 8 + Narrative)	County/JFA		
B - Finance Track Record (Table 9, 10 + Narratives and Self Eval. Plan)	County		
Section 4: Job Development, Vouchering Plan and Vouchering Fee	County/JFA	Monday, September 17, 2007	
A - Job Development Plan (Narratives, Table 11, 12, & Org Chart)			
B - Vouchering Plan (Narrative, Budget, & Org Chart)			
C - Voucher Fee Remittance Plan (Narrative, Timeline, Org Chart)			
Section 5: Planning and Local Incentives		Monday, September 24, 2007	
-Plan to Reduce Fees	JFA to assesmble		
-Plan to Reduce Administrative Processing Time for Permits	information from All		
-Land Use Maps Forecasting 5 years + Narrative	Participants		
-Plan to Transform Neighborhoods through Current & Planned Activities			
-Plan to offer local incentives			
-Evaluation of Incentives Effectiveness			
Section 6: Unemployment and Area Income Levels (Table 13)	JFA	Monday, October 22, 2007	

San Joaquin County EZ Application WORK PLAN

TASK/APPLICATION SECTION	SOURCE	MILESTONE	CHECK?
Section 7: Enterprise Zone Program Management Information	JFA	Monday, October 22, 2007	
A - Budget & Letters of Commitment	County/Cities		
B - Vouchering Agent (Narrative, MOU to include Conflict of Interest Agreement)	County/Cities		
C - EZ Manager Job Descriptions	JFA/County		
D - EZ Management Org Chart	JFA/County		
Section 8: Infrastructure and Capital Improvement Plan Narrative	JFA	Monday, October 01, 2007	
Narrative	JFA		
Table 14	JFA		
Copies of CIPS	To be provided by Cities		
Part IV: Bonus Points			
Table 15 - Poverty Stats	JFA	Friday, October 19, 2007	
Table 16 - Unemployment Stats	JFA	Friday, October 19, 2007	
Table 17 - Unique Distress Factors + Documentation	JFA	Friday, October 19, 2007	
Part V: CEQA Requirements		TBD by County Planning Dept	
- Initial Study & Notice of Preparation	County	TBD (completed by no later than 11-1-07)	
Part VII: Required Maps	County	TBD by County GIS No later than Sept 14 for pre-approval submission	
-Proposed Boundary Map			
-Eligibility/Census Tracts Map			
-Commercial/Industrial Parcel Map			
-Land Use Map			
Part VIII: Capital Improvement Plan 2008-2013	All	Friday, September 14, 2007	
Graphics Layout & Printing (Draft Mockups of all graphics to be provided)	County	Ongoing - Milestones TBD	
	JFA to deliver electronic copies for printing and delivery by EDA	Friday, October 26, 2007	
Completed Application			